

Denial of Applications in the Child and Adult Care Food Program (CACFP)

PURPOSE:

To describe the State Agency policy regarding denial of applications

SCOPE:

New and renewing institutions

DESCRIPTION:

For purposes of this policy instruction, the term **application** shall refer to the process of applying for participation in the CACFP. It shall include contract, on-line information sheets, budget, management plan (if required), and the core documents (W-9, direct deposit agreement, licensing documentation, tax status documentation, board of directors information, board of health inspection reports, deliver of benefits form, pre-award compliance, and menus).

New Institutions

The following criteria shall be used to deny an application for new institutions:

1. Principal(s) or institution on the National Disqualified List
2. Ineligibility for other publicly funded program by institution or principal(s)
3. Conviction of institution or principal(s) for activity that demonstrated a lack of business integrity in the past seven years
4. Failure to submit documentation of tax-exempt status
5. Failure of document proprietary center eligibility
6. Failure to comply with licensing/approval requirements
7. Failure to submit complete and correct core documents
8. Failure to submit complete and correct on-line application forms (sponsor, center, and/or provider information sheets)
9. Failure to submit complete and correct off-line forms (budget forms, training form, management plan (if required), policy statements, and media release.
10. Failure to comply with the requirements for Board of Directors and proper board oversight
11. Failure to pass one or two performance evaluations
12. Failure to demonstrate financial viability
 - a. Budget and amendments, as required
 - b. Non-profit food service account
 - c. Accounting records
 - d. Appropriate records for facility operations
 - e. Integrity and accountability for all funds received and expenses incurred
13. Failure to demonstrate administrative capability
 - a. Staff capable of Program records and operation

- b. Ability to complete required application materials
 - c. Ability and staff to meet monitor requirements, if required
 - d. Provides adequate and regular training for staff and/or facilities
 - e. Capable of implementing Program policies and procedures
14. Failure to demonstrate Program accountability
- a. Internal controls to ensure Program accountability
 - b. Internal controls and management systems to ensure fiscal accountability
 - c. Adequate oversight by Board of Directors
 - d. Financial system with management controls in writing
 - e. System to prevent and detect improper financial activity by employees
 - f. Maintain adequate Program records
15. Failure to provide meals that meet CACFP requirements
16. Failure to comply with Civil Rights requirements
17. Any other action affecting the institution's ability to administer the Program in conformance with Program requirements

Renewing Institutions

The following criteria shall be used to deny an application for new institutions:

- 1. Principal(s) or institution on the National Disqualified List
- 2. Ineligibility for other publicly funded program by institution or principal(s)
- 3. Conviction of institution or principal(s) for activity that demonstrated a lack of business integrity in the past seven years
- 4. Failure of document proprietary center eligibility
- 5. Failure to comply with licensing/approval requirements
- 6. Failure to submit complete and correct on-line application forms (sponsor, center, and/or provider information sheets)
- 7. Failure to submit complete and correct off-line forms (budget forms, training form, management plan (if required), policy statements, and media release.
- 8. Failure to demonstrate financial viability
 - a. Budget and amendments, as required
 - b. Non-profit food service account
 - c. Accounting records
 - d. Appropriate records for facility operations
 - e. Integrity and accountability for all funds received and expenses incurred
- 9. Failure to demonstrate administrative capability
 - a. Staff capable of Program records and operation
 - b. Ability to complete required application materials
 - c. Ability and staff to meet monitor requirements, if required
 - d. Provides adequate and regular training for staff and/or facilities
 - e. Capable of implementing Program policies and procedures
- 10. Failure to demonstrate Program accountability
 - a. Internal controls to ensure Program accountability
 - b. Internal controls and management systems to ensure fiscal accountability
 - c. Adequate oversight by Board of Directors
 - d. Financial system with management controls in writing

- e. System to prevent and detect improper financial activity by employees
- f. Maintain adequate Program records
- 11. Failure to provide meals that meet CACFP requirements
- 12. Failure to comply with Civil Rights requirements
- 13. Failure to comply with the bid procedures and contract requirements of applicable Federal procurement regulations
- 14. Use of a food service management company that is in violation of health codes
- 15. Failure to properly implement and administer the day care home termination and administrative review provisions (if applicable)
- 16. Any other action affecting the institution's ability to administer the Program in conformance with Program requirements.

NOTE: Renewing institutions that are seriously deficient and have not had their serious deficiency rescinded, will NOT be renewed, but will have their current contract renewed for three months (to December 31 of any calendar year). At that time the seriously deficient status will be reviewed and the State Agency will either approve the renewal or work to remove the institution from the program.

Source:

7 CFR 226.6 (c): Denial of applications and termination of agreements